

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 563

Introduced by Assembly Member Cook

February 25, 2009

An act to amend Section 18707 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 563, as amended, Cook. Personal income taxes: contributions: California Military Family Relief Fund.

The Personal Income Tax Law allows taxpayers, until January 1, 2015, to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the California Military Family Relief Fund to provide financial aid grants to eligible reserve members of the Armed Forces of the United States who are California residents and requires all moneys transferred to the fund, upon appropriation by the Legislature, to be allocated as specified.

This bill would require moneys transferred to the fund, upon appropriation by the Legislature and after allocations to the Franchise Tax Board and the Controller, to be allocated to the ~~California National Guard for distribution to a nonprofit organization selected by the California National Guard~~ *state Military Department* for the establishment of financial aid grants, as specified. This bill would also require the awarding of grants from the fund to be governed by a ~~Memorandum for Record of Agreement~~.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18707 of the Revenue and Taxation Code
2 is amended to read:
3 18707. All moneys transferred to the California Military Family
4 Relief Fund, upon appropriation by the Legislature, shall be
5 allocated as follows:
6 (a) To the Franchise Tax Board and the Controller for
7 reimbursement of all costs incurred by the Franchise Tax Board
8 and the Controller in connection with their duties pursuant to this
9 article.
10 ~~(b) (1) (A) To the California National Guard for distribution~~
11 ~~to a nonprofit organization selected by the California National~~
12 ~~Guard for the establishment of financial aid~~
13 (b) (1) (A) To the state Military Department for the
14 establishment of financial aid grants to reserve members of the
15 Armed Forces of the United States who are California residents,
16 and who have been called to active duty. Moneys transferred to
17 the California Military Family Relief Fund before January 1, 2009,
18 shall be reserved for the California National Guard. Grants to the
19 members of the California National Guard shall first be distributed
20 from moneys transferred to the California Military Family Relief
21 Fund before January 1, 2009, and only after these moneys are
22 exhausted shall these grants be awarded from moneys transferred
23 to the California Military Family Relief Fund on and after January
24 1, 2009. ~~The nonprofit organization selected by the California~~
25 ~~National Guard~~ state Military Department shall establish eligibility
26 criteria for the grants.
27 (B) On or after January 1, 2009, the California National Guard
28 may make moneys transferred to the California Military Family
29 Relief Fund before January 1, 2009, up to one hundred thousand
30 dollars (\$100,000), available for distribution to qualified members
31 of the reserve component, excluding members of the California
32 National Guard, until adequate moneys are available to ensure that
33 all approved grants are funded. These distributed moneys shall be
34 repaid to the California National Guard with moneys transferred

1 to the California Military Family Relief Fund on and after January
2 1, 2009.

3 (2) It is the intent of the Legislature that every qualified reserve
4 member, regardless of branch, in need of emergency assistance be
5 able to receive a grant. In order to ensure that the grants awarded
6 pursuant to this article are administered objectively, the awarding
7 of grants from the California Military Family Relief Fund shall be
8 governed by a Memorandum ~~for Record of Agreement~~, developed
9 by a working group comprised of officers or members, or both, of
10 ~~the a~~ nonprofit organization selected by the ~~California National~~
11 ~~Guard State Military Department~~, that describes the procedures
12 and requirements for participation in the grant program. A
13 representative with authority to bind the nonprofit organization
14 selected by the ~~California National Guard State Military~~
15 ~~Department~~ must sign the Memorandum ~~for Record of Agreement~~.

16 (3) In addition to criteria established by the ~~nonprofit~~
17 ~~organization selected by the California National Guard state~~
18 ~~Military Department~~ pursuant to paragraph (1), reserve members
19 of the Armed Forces of the United States who are California
20 residents shall show proof of all of the following to be eligible to
21 receive a grant:

22 (A) Membership in the Armed Forces of the United States.

23 (B) Residency in California.

24 (C) Deployment to active duty for at least 60 consecutive days.

25 (D) One of the following:

26 (i) The military salary of the member, combined with any
27 ongoing partial receipt of civilian salary, has decreased by 10
28 percent or more from the member's civilian salary, or the
29 household income of the member's family has decreased by 10
30 percent or more from the member's household income prior to
31 deployment.

32 (ii) The member, within six months of returning from active
33 duty, has experienced a 10-percent loss, or greater, in income,
34 compared to predeployment income, as a direct result of
35 deployment.

36 (4) Grants awarded pursuant to this article may only be used
37 for any of the following: food, housing, child care, utilities, medical
38 services, medical prescriptions, insurance, and vehicle-related
39 payments.

1 (5) Reserve members of the Armed Forces of the United States
2 who are California residents shall not be eligible to receive a grant
3 if the member receives a punitive discharge or an administrative
4 discharge with service characterized as under other than honorable
5 conditions.

6 (6) Reserve members of the Armed Forces of the United States
7 who are awarded grants pursuant to this article may be required
8 to receive counseling, within a specified time period, as a condition
9 of the grants.